

May 29, 1990

DRS Notice No. 90-004

To: All Retirement System Employers

From: George Northcroft
Director

Re: Summary of 1990 legislation related to retirement issues

Following are brief summaries of bills enacted in the 1990 Legislative Session that affect the retirement systems' members and employers. These summaries are intended to identify the issues and indicate areas of change, rather than provide you with details about the bills or instruct you in their implementation. In the following months you will receive more detailed information and instructions to help you comply with the new laws.

HB 1323, Chapter 192, Laws of 1990:

- Reinstates the opportunity for members of the Statewide Cities Employees' Retirement System (SCERS) to participate in portability (dual membership), if eligible.
- Allows Seattle, Spokane, and Tacoma to choose to participate in portability.
- Gives newly-hired employees of the cities of Seattle, Spokane, or Tacoma who were members of the Public Employees' Retirement System (PERS) the option of remaining in PERS or joining the city retirement plan, if the individual cities choose to participate in portability.

SHB 2643, Chapter 249, Laws of 1990:

- Allows DRS to create survivor options and requires DRS to adopt rules that retain a joint and 100% survivor option and a joint and 50% survivor option for service retirees of PERS Plans I and II, Teachers' Retirement System (TRS) Plans I and II, Law Enforcement Officers' and Fire Fighters' (LEOFF) Plan II, and for some retiring Judicial Retirement System (JRS) members.
- Gives disability retirees the opportunity to select a survivor benefit option.
- Requires a member's spouse to provide written consent to the retirement option the member chooses.

- Provides for a refund of a Plan II disability retiree's contributions if the retiree died before April 27, 1989, and if death occurred before the retiree received benefits equal to the total accumulated contributions.

SHB 2644, Chapter 274, Laws of 1990:

- Changes the calculation of service credit from hours per month to hours per year for TRS Plan II members and for PERS Plan I and Plan II members employed by school districts.
- Includes Educational Service Districts in the same category as school districts, state schools for the blind and deaf, and colleges, for the purposes of granting 12 months of service credit for less than 12 creditable calendar months of service.
- Defines "substitute" in TRS law and creates rules by which substitutes can establish membership and service credit.
- Changes rules governing employment of retired members of PERS Plan I and JRS. Creates rules for allowing reemployment of retired members under TRS Plan II, PERS Plan II, and LEOFF Plan II.
- Eliminates exemption from PERS membership of employees hired into eligible positions on a temporary basis.
- Defines "eligible position" for members of TRS Plan II.
- Changes the definition of "eligible position" for PERS Plan I and Plan II.

SSB 6594, Chapter 8, Laws of 1990:

- Requires DRS to begin notifying members annually of their yearly and total service credit by October 1, 1993.
- Repeals the expense fund fee for PERS Plan I and for LEOFF Plan I and Plan II.
- Allows DRS to charge fees to employers who fail to submit timely and accurate reports to the department.
- Defines the contract year for school superintendents and administrators as ending June 30 and prohibits retroactive revision of those contracts.

SSB 6600, Chapter 18, Laws of 1990:

- Increases the basic state contribution rate for LEOFF and the basic employer rates for TRS, PERS, and WSP. Please note that this bill goes into effect September 1, **1991**. There will also, however, be contribution rate changes in 1990.

The Department is developing policies and procedures to assist employers in complying with these new laws. These will be provided to you as they become available.

You will also receive updates for your *Monthly Transmittal Reporting Handbook* that will provide you with the necessary instructions for implementing the legislation that affects your organization.

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If you would like copies of any of the bills, you may request them from the Code Reviser's Office, Legislative Building, AS-15, Olympia, WA 98504. The Code Reviser's phone number is 753-6804, SCAN 234-6804.

If you have any questions regarding this notice, you may contact the DRS Legislative/Legal Unit at (206) 586-3414, SCAN 321-3414.

1990 DRS Notices

Each DRS Notice will include a list of all Notices previously published during the calendar year, their subject matter, and a statement of which employers each Notice was sent to.

If you did not receive a Notice, check this list to verify that the Notice applies to you and/or your employees. If you need a copy, call the DRS User Support Group at (206) 586-4515, SCAN 321-4515.

Notice No.	Date	Applies to/ Subject matter
90-001	Jan. 10	School district employers using the WSIPC system Transmittal data problems.
90-002	Jan. 28	All Employers Transmittal report month-end processing dates.
90-003	Apr. 2	State agencies using the PISD Central Payroll System to report members of the Public Employees' Retirement System Changes in some requirements for submitting Employee Permanent Record and Notice of Separation forms for PERS employees.
